

Message Text

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ACTION NEA-10

INFO OCT-01 AF-10 EUR-12 EA-07 IO-13 ISO-00 SP-02
USIA-06 AID-05 EB-07 NSC-05 EPG-02 TRSE-00 SS-15
STR-04 OMB-01 CEA-01 L-03 COME-00 H-01 CIAE-00
INR-07 NSAE-00 ACDA-07 OES-07 OPIC-03 DHA-02
SSM-03 MCT-01 /135 W

-----093631 270504Z /17

R 261120Z JUN 77

FM AMEMBASSY ABU DHABI

TO SECSTATE WASHDC 6285

INFO AMEMBASSY AMMAN

AMEMBASSY BEIRUT

AMEMBASSY DAMASCUS

AMEMBASSY DOHA

AMEMBASSY JIDDA

AMEMBASSY KHARTOUM

AMEMBASSY KUWAIT

AMEMBASSY MANAMA

AMEMBASSY MUSCUT

AMEMBASSY SANA

AMEMBASSY TRIPOLI

USINT BAGHDAD

AMEMBASSY ALGIERS

AMEMBASSY RABAT

AMEMBASSY TUNIS

AMEMBASSY MOGADISCIO

AMEMBASSY NOUAKCHOTT

AMEMBASSY BONN

AMEMBASSY LONDON

AMEMBASSY OTTAWA

AMEMBASSY TOKYO

AMEMBASSY PARIS

AMEMBASSY ROME

USMISSION USUN NEW YORK

AMCONSUL ALEXANDRIA

AMCONSUL DHAHRAN

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AMEMBASSY ATHENS

AMEMBASSY TEL AVIV

AMEMBASSY BRUSSELS

S E C R E T SECTION 1 OF 2 ABU DHABI 1893

E.O. 11652: GDS

TAGS: ETRD, PFOR, TC

SUBJ: REPRESENTATIONS ON NEW US BOYCOTT LEGISLATION

REF: (A) STATE 142390, (B) STATE 146034

1. ON JUNE 25, I MET WITH UAE MINSTATE FOR FOREIGN AFFAIRS SAIF GHUBBASH TO DISCUSS LEGISLATION RENEWING EXPORT ADMINISTRATION ACT WITH NEW PROVISIONS ON THE ACTIONS OF AMERICAN FIRMS IN CASES INVOLVING FOREIGN BOYCOTTS. I LEFT WITH GHUBBASH A TALKING POINT PAPER BASED ON STATEMENT CONTAINED PARA 6 OF REF (A), THE PRESIDENT'S JUNE 22 STATEMENT, AND BACKGROUND PIECE ON BOYCOTT IN JUNE 22 WIRELESS FILE. HE PROMISED TO PASS THESE ON TO FONMIN SUWAIDI, WHOM I ALSO HOPE TO SEE SHORTLY TO DISCUSS NEW LEGISLATION.

2. MY APROACH WAS TO EMPHASIZE ONCE AGAIN THAT NEW LEGISLATION RECOGNIZES SOVEREIGN RIGHT OF ALL COUNTRIES TO REGULATE THEIR OWN COMMERCE AND THAT IT WAS NOT DIRECTED AT ANY COUNTRY. WHAT IT DID WAS TO PREVENT AMERICAN FIRMS OR INDIVIDUALS FROM BECOMING INVOLVED AS SURROGATES IN THE APPLICATION OF FOREIGN BOYCOTTS AGAINST COUNTRIES WITH WHOM US HAD FRIENDLY RELATIONS IN INTERSTATE OR FOREIGN COMMERCE, OR IN ACTIVITES WHERE

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THERE COULD BE DISCRIMINATION ON BASIS OF RACE, RELIGION, SEX OR NATIONAL ORIGIN. I SAID THAT FAR FROM SEEKING CONFRONTATION, WE WISHED TO CONTINUE AND EXPAND OUR TRADE WITH UAE AND OTHER ARAB COUNTRIES AND WE HOPED THIS COULD BE DONE WITH GOOD WILL ON BOTH SIDES. I ALSO MADE POINT THAT USG REMAINS FIRMLY COMMITTED TO DOING EVERYTHING IT CAN TO BRING ABOUT A ME SETTLEMENT, THAT NEW LEGISLATION NOT INCONSISTENT WITH THAT COMMITMENT, AND THAT THE SECRETARY EXPECTED AGAIN TO RETURN TO MIDDLE EAST LATER THIS SUMMER TO HELP ARAB COUNTRIES AND ISRAEL TAKE FURTHER MOVES TOWARD PEACE.

3. GHUBBASH POLITELY HEARD ME OUT. IN REPLY, HE SAID THAT UAE DOES NOT WISH CONFRONTATION WITH US. IN FACT UAE HAD GONE TO CONSIDERABLE LENGTHS TO BE A FRIEND OF US AND TO PURSUE POLICIES SUPPORTIVE OF WHAT US ENDEAVORING TO DO. LARGE UAE FOREIGN AID, EVEN THOUGH WAY IT ADMINISTERED LEFT SOMETHING BE DESIRED (SEE SEPTEL), WAS INTENDED TO PREVENT SOCIAL AND POLITICAL UPHEAVAL IN LESS FORTUNATE COUNTRIES AND TO SUPPORT EFFORTS TOWARD STABILITY AND ECONOMIC PROGRESS. ON PETROLEUM MATTERS, UAE HAD WORKED CLOSELY WITH SAUDIS AND HAD COOPERATED WITH US EVEN

THOUGH IT HAD EARNED ENMITY OF SEVERAL OPEC COUNTRIES. ON BOYCOTT, UAE HAS MOVED TO ACCEPT POSITIVE CERTIFICATES OF ORIGIN. BUT TO EXPECT UAE TO ACCEPT THIS LATEST LEGISLATION WITH EQUANIMITY WAS BIT MUCH. SIGNING OF LEGISLATION COMES AT TIME WHEN ISRAELI PM BEGIN HAS AGAIN REITERATED HIS INSISTENCE ON "ERET ISRAEL" ACCUSING ARABS OF INTRANSIGENCE IF THEY DO NOT ACCEPT ISRAELI ANNEXATION OF WEST BANK. IT ALSO COMES AT TIME WHEN THERE

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PRESSURE ON ADMINISTRATION TO BE LESS SPECIFIC ABOUT "HOMELAND" FOR PALESTINIANS. TO SAY THAT LEGISLATION NOT DIRECTED AT ANY COUNTRY DID NOT SEEM CONSISTENT WITH FACT THAT LEGISLATION BASED ON COMPROMISE WORKED OUT BETWEEN US BUSINESS AND JEWISH ORGANIZATIONS SEEKING TOUGH LAWS AGAINST ARAB BOYCOTT.

4. GHUBBASH SAID PASSAGE THIS LEGISLATION WAS NOT GOING MAKE BOYCOTT GO AWAY NOR WAS IT GOING CHANGE VIEWS OF ARAB GOVERNMENTS THAT LEGISLATION IS DIRECTED AGAINST THEM AND IS RESULT OF INTENSE LOBBYING BY ELEMENTS IN US SUPPORTIVE OF ISRAEL. AS EVERYONE KNEW, BOYCOTT WAS NOT APPLIED FOR ECONOMIC BUT FOR POLITICAL REASONS. BECAUSE OF THIS, IT WAS OFTEN APPLIED IN AN IRRATIONAL AND EMOTIONAL MANNER BUT IT WOULD REMAIN. LATEST US LEGISLATION WAS SEEN AS ANOTHER ATTEMPT TO HUMILIATE ARABS AND TRY PUT THEM ON DEFENSIVE.

5. GHUBBASH SAID UAE HAD NO OBJECTION TO ANY LAWS US WISHED PASS WHICH FORBade DISCRIMINATION BY ONE AMERICAN FIRM OR GROUP AGAINST ANOTHER WITHIN SOVEREIGN JURISDICTION OF US AND AFFIRMED AGAIN BOYCOTT NOT APPLIED ON RELIGIOUS BASIS. BUT IT DID OBJECT TO BAN ON US FIRMS FROM RESPONDING TO BOYCOTT RELATED QUESTIONS. THIS WAS SEEN IN TERMS OF UAE NATIONAL SECURITY. WHAT WOULD

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HAPPEN, FOR EXAMPLE, IF UAE WERE TO PASS A LAW STATING THAT HEREAFTER NO UAE NATIONAL APPLYING FOR VISA TO US WILL BE PERMITTED TO RESPOND TO QUESTIONS WHETHER OR NOT HE HAD EVER BEEN AFFILIATED WITH COMMUNIST OR RADICAL ORGANIZATIONS SUCH AS PLO AND IF SO WHAT WAS NATURE OF THAT AFFILIATION. WOULD HE BE ISSUED A VISA? HE ALSO ASKED

WOULD AN AMERICAN COMPANY BUYING OIL FROM UAE BE FORBIDDEN FROM RESPONDING TO BOYCOTT RELATED QUESTION WHETHER OR NOT THIS OIL WAS DESTINED FOR ISRAEL? I SAID IN RESPONSE TO LATTER QUESTION THAT I ASSUMED DRAFT REGS WHICH DEPT OF COMMERCE NOW WORKING ON WOULD PERMIT US COMPANIES TO RESPOND TO QUESTIONS RELATED TO APPLICATION OF PRIMARY BOYCOTT OF ISRAEL.

6. COMMENT: I AGREE THAT MAJOR DIPLOMATIC EFFORT IS GOING TO BE REQUIRED TO OVERCOME CONSIDERABLE SENSITIVITY OVER PASSAGE NEW US LEGISLATION. I DO NOT SHARE VIEW OF SOME OF MY OTHER COLLEAGUES IN GULF THAT THIS PROCESS MIGHT BE AIDED BY VISIT OF STATE/COMMERCE DELEGATION SOMETIME THIS FALL TO EXPLAIN DRAFT REGULATIONS AND OTHER ASPECTS OF IMPLEMENTATION AS SUGGESTED PARA 8 REF (A). I MENTIONED TO GHUBBASH THAT SUCH A GROUP MIGHT BE COMING BUT HE INDICATED NO INTEREST IN RECEIVING THEM. WHILE SUCH GROUP COULD BE HELPFUL IN BRIEFING EMBASSY OFFICERS AND US FIRMS, CALLS ON UAEG OFFICIALS WOULD I FEAR UNNECESSARILY DRAW ATTENTION TO NEW BOYCOTT LEGISLATION AND COULD BE PORTRAYED AS AN ATTEMPT TO GET ACQUIESCENCE TO NEW LEGISLATION. IT WILL BE EASIER FOR UAE AND OTHER ARAB STATES TO ACCOMMODATE TO NEW LEGISLATION IF THERE NO PUBLIC PRESSURE AND NO PUBLIC STATEMENTS.

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Message Attributes

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TAGS: ETRD, PFOR, TC
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